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October 5, 2004

PRIVATE

Ms. Sara J. Phillips
Manager, International Services Group
Delphi Corporation
World Headquarters & Customer Center
M/C 480.410.122
5825 Delphi Drive
Troy, MI 48098

Dear Sara:

We are pleased you have engaged KPMG LLP (KPMG) to provide international executive services to Delphi Corporation (Delphi) and its:

- Expatriates Assigned From the US;
- Expatriates Assigned To the US;
- Expatriates Assigned To and From Non-US Countries;
- Employees Assigned to the Mexican Border; and,
- Trainees/J-1 Visa Holders.

This letter confirms the scope and related terms of your engagement of KPMG for the 2005, 2006, and 2007 calendar years. For purposes of this Engagement Letter, the term "KPMG" includes any affiliates of KPMG identified as performing any of the Services, and the term "Delphi" includes any subsidiaries and affiliates of Delphi for which the Services are performed. Standard engagement terms and conditions, which are made part of this engagement letter, between KPMG and Delphi are contained in Exhibits A, B, and C.

Included Services (the "Services")

The following is a list of the services that we will provide to all Delphi Expatriates Assigned To or From the US:

- Collect tax data;
- Calculate annual hypothetical tax withholding;



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- Prepare required home and host country individual income tax returns during, and one year after, assignment;
- Prepare requests for extension of time to file tax return(s), where required;
- Prepare US estimated tax vouchers, if required;
- Prepare year end withholding calculation;
- Reconcile tax advance account;
- Prepare tax equalization calculations;
- Conduct pre-departure and or post-arrival tax consultation session, as requested;
- Conduct repatriation tax consultation sessions for expatriates; and,
- Handle routine correspondence with the IRS and foreign tax authorities, including review of tax assessments.

The following is a list of the services that we will provide to all Delphi Expatriates Assigned To and From Non-US countries:

- Collect tax data;
- Calculate annual hypothetical tax withholding;
- Prepare required home and host country individual income tax return(s) during, and one year after, assignment;
- Prepare requests for extension of time to file tax return(s), where required;
- Determine and arrange for timely payment of local taxes in the host countries, where applicable;
- Prepare tax equalization calculation;
- Conduct pre-departure and or post-arrival tax consultation session, as requested;
- Conduct repatriation tax consultation session; and,
- Handle routine correspondence with the IRS and foreign tax authorities including review of tax assessments.

The following is a list of the services that we will provide to all Delphi Employees Assigned to the Mexican Border:

- Collect tax data;
- Prepare US income tax return(s);



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- Prepare requests for extension of time to file tax return(s), where required;
- Prepare tax equalization calculation;
- Conduct post-arrival counseling session; and,
- Handle routine correspondence with the IRS and foreign tax authorities including review of tax assessments.

The following is a list of the services that we will provide to all Trainees/J-1 Visa Holders:

- Collect tax data;
- Prepare US income tax return(s);
- Prepare requests for extension of time to file tax return(s), where required;
- Conduct pre-departure and or post-arrival tax consultation session; and,
- Handle routine correspondence with the IRS.

The following is a list of the services that we will provide as part of Global Coordination:

- Hypothetical tax process verification;
- Automation of the centralized hypothetical tax calculation process;
- Tax planning solutions;
- On-going benchmarking of Delphi's current tax equalization policy;
- Dedicated Virtual IHR website;
- Dedicated KPMG/ExpatExtranet website;
- Unlimited access to all KPMG publications;.
- Status reports;
- Client service report; and,
- KPMG International Executive Alert Newsletters.

In addition we will provide tax clearance certificates and visa and immigration services as requested.
Please see Exhibit F for details.

Verification of Information

We will provide your employees with organizers designed to assist them in gathering the information needed to prepare their income tax return(s). Your employees should review their information



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carefully to ensure that it is complete and accurate. We will not audit or independently verify the data submitted by Delphi or the individual taxpayer. We may, however, ask for clarification, where necessary.

Tax Return Positions

Where there may be alternative positions available in preparing the individual income tax returns, we will follow policy regarding the tax return positions which have been discussed with you and your tax group. At any time during the term of this Engagement Letter and at your request, we will re-address the tax return positions with you.

Tax Examinations

All tax returns are subject to examination by taxing authorities. In the event of an examination, an expatriate may be requested to produce documents, records, or other evidence to substantiate the various items of income and deduction shown on the tax returns. If such an examination occurs, we will be pleased to assist or represent your employees upon request. A separate engagement letter will be issued at that time to confirm the scope of the examination engagement.

Tax Calculations

Where we prepare tax equalization calculations for authorized employees, the calculations will be prepared in accordance with your established policies. All calculations will use a tax equalization template which you have reviewed and approved. We will bring questionable items, or items not addressed in your established policies and which have not been previously addressed, to your attention for your review and approval prior to finalizing the tax equalization calculation. You will instruct your employees to review all calculations provided to them.

Where tax returns or tax equalization calculations for authorized employees are to be provided to Delphi, we will require the consent of those particular employees (and their spouses, where married) to disclose tax return information before so providing the calculations.

Tax Consulting Services

This engagement letter also covers tax consulting matters that may arise for which you seek our advice and consultation, both written and oral, and which are not the subject of a separate engagement letter.

To be of greatest assistance to Delphi, we should be advised in advance of proposed transactions. If such matters exceed the scope of this engagement letter, we will issue separate engagement letters to confirm the scope and related terms of any additional engagements. Global solutions, such as One



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Year Rollover for Expatriates and Global Equity Compensation Strategies will be addressed in separate engagement letters.

Delivery of Services

The services will be provided under the direction of KPMG LLP, the US member firm of KPMG International, and will include the participation of other member firms of KPMG International (KPMG member firms). KPMG LLP is a separate legal entity from other member firms of KPMG International. Advice relative to tax matters outside the United States will be based on tax advice provided by the KPMG member firm in the particular country and on the relevant tax authorities in that country. In rendering such advice, we may also consider US tax treaties, their technical explanations, and judicial and administrative interpretations thereof.

In certain countries, a KPMG member firm is authorized to provide legal services within its jurisdiction. This engagement letter encompasses only tax services provided by KPMG member firms and does not encompass any legal services a KPMG member firm may be authorized to provide. Should the provision of such services not be proscribed by applicable independence rules and should Delphi choose to retain a KPMG member firm to provide legal services, including drafting of documents, in a particular country, Delphi and the KPMG member firm will enter into a separate fee arrangement and engagement letter for the provision of such legal services.

Taxes

For purposes of this Engagement Letter, "Taxes" means any sales taxes, use taxes, excise taxes, value added taxes or other taxes, however designated, assessed, charged or levied upon the use of the Services or the professional fees charges therefore; provided, however, Taxes shall not include any income, gross receipts, privilege or franchise taxes or any other taxes that are based on or measured by a party's net income.

Delphi and KPMG shall reasonably cooperate with each other to more accurately determine each party's tax liability and to minimize that tax liability to the extent legally permissible. Each party shall provide and make available to the other party any applicable certificates, information regarding out-of-jurisdiction sales of services, and other exemption certificates or information reasonably requested by the other party. In furtherance thereof, KPMG will use its best efforts to obtain an exemption for any sales, use, value-added or similar Tax, to the extent available under local law.

The parties agree to utilize reasonable efforts to structure the provision and receipt of the Services, as the case may be, in such a fashion as to minimize, to the extent legally permissible, any sales, use, value-added, withholding and similar Taxes payable by Delphi and/or incurred by KPMG. In



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furtherance thereof and in relation to the provision of local country Services, KPMG, through its member firms, will directly bill the local Delphi affiliate such that there will be local country billings for all local country Services, to the extent legally permissible. To the extent that local country invoicing is not performed, KPMG will bear the cost of any additional Taxes resulting from a cross border payment. Such local country billings will be made in local currency subject to the same terms hereunder (timing, etc.) in relation to all payments by Delphi. The parties will, from time to time, review and enhance, as necessary, the positions taken with respect to the structure hereunder.

There shall be billed as separate line items on each invoice to Delphi, or a separate invoice for, and Delphi shall pay to KPMG, or reimburse KPMG for the payment of, amounts equal to applicable Taxes, if any, and any audit assessments of Taxes and related interest thereon, unless such assessment is the result of KPMG's collection of Taxes from Delphi and failure to remit such taxes to the applicable taxing authority or other gross negligence by KPMG.

KPMG will price the Services excluding any sales, use, service, value-added or similar Taxes that may be levied on the Services provided hereunder. KPMG will invoice, collect and remit such Taxes in accordance with local law. If Delphi is required by law to make any deduction or withholding from sums payable to KPMG, then Delphi shall promptly report and effect payment thereof to the applicable taxing authorities, and Delphi will pay the net amount, after deduction or withholding to KPMG. Delphi shall also provide KPMG with official Tax receipts or other evidence issued by the applicable taxing authorities sufficient to establish that the Taxes have been paid. Invoices shall separately state applicable Taxes as necessary to assist Delphi in recapturing Taxes, as appropriate. Invoices shall be in the appropriate form as required by local law to permit deduction of payments for income tax purposes.

Federal Confidential Communications Privilege

Delphi's (i) expatriates assigned from the US, (ii) expatriates assigned to the US, (iii) expatriates assigned to and from Non-US countries, (iv) employees assigned to the Mexican border, and (v) trainees/J-1 Visa holders are intended beneficiaries of this Engagement Letter. Accordingly, Delphi agrees that any confidential communications between KPMG and the above referenced individuals will not be shared with Delphi. However, in the event an above referenced individual disputes the tax computation prepared by KPMG and requests Delphi's review of such computation, KPMG agrees to waive the above privilege if the individual furnishes a waiver of its confidential communications with KPMG.



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Privacy

We are enclosing the KPMG Privacy Notice for your reference in Exhibit G. The notice will be provided to all authorized expatriates.

Professional Fees

Our fees for this engagement will be based upon the attached fee schedule, Exhibit D, E, and F, inclusive of services performed by other KPMG member firms except to the extent related to legal services. As we have discussed, these fees are based upon the complexity of the issues and the time required of the professionals who will be performing these services. Circumstances encountered during the performance of these services that warrant additional time and/or expense could affect the above estimates. We will endeavor to notify you of any such circumstances as they arise.

We will prepare and forward a progress bill to your attention for half of the total projected agreed fee upon mailing of the organizers. The remainder will be billed upon completion of the tax returns. Payment is required upon receipt of the invoice.

General Provisions

In the event of any conflict, ambiguity or inconsistency between this Engagement Letter and any other agreement relating to the Services, including any preprinted terms and conditions, the terms and conditions of this Engagement Letter shall govern.

The provisions of this Engagement Letter which give the parties rights beyond termination of this Engagement Letter will survive any termination of this Engagement Letter.

If any portion of this Engagement Letter is held to be void, invalid or otherwise unenforceable, in whole or in part, the remaining portions of this Engagement Letter shall remain in effect. This Engagement Letter shall not be modified except by a later written agreement signed by both parties.

Once again, we appreciate the opportunity to serve you and look forward to working with you. The attached Engagement Terms and Conditions are made a part of this engagement letter.



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* * *

Please sign the enclosed copy of this letter to confirm our agreement and return it to us. If you have any questions, please call me at (312) 665-8485 or Doyoung Yong at (312) 665-5207.

Very truly yours,

KPMG LLP

Ann Marie Goddard

Partner

International Executive Services

Enclosure

cc: James P. Whitson, Delphi Corporation
Doyoung Yong, KPMG LLP

ACCEPTED:

Delphi Corporation

Authorized Signature

Manager International Services

Title

12 October 2004

Date

EXHIBIT A

GENERAL TERMS AND CONDITIONS

1. **Agreement.** It is agreed that KPMG LLP ("Consultant") will provide to Delphi Corporation ("Delphi") the services (the "Services") described in the accompanying engagement letter (the "Engagement Letter") to which this Exhibit A is attached (the Engagement Letter, this Exhibit A and Exhibit B are collectively referred to as this "Agreement"). For purposes of this Agreement, the terms "Consultant" include any affiliates of Consultant identified in the Engagement Letter as performing any of the Services, and the term "Delphi" includes any subsidiaries and affiliates of Delphi for which the Services are performed. This Agreement constitutes the entire and sole agreement between Delphi and Consultant, and merges all prior and contemporaneous communications with respect to the subject matter of this Agreement.

2. **Independent Contractor.** Consultant will provide the Services as an independent contractor. Nothing contained in this Agreement shall be construed to create an employment or principal-agent relationship or joint venture between Consultant and Delphi, and neither party shall have the right, power or authority to obligate or bind the other in any manner whatsoever.

3. **Personnel.** All of Consultant's agents, employees, subcontractors and/or independent contractors furnished by Consultant to perform the Services (collectively, "Personnel") are and will remain Consultant's employees and/or independent contractors and, under no circumstances, will any Personnel furnished by Consultant be deemed to be Delphi's employees or agents. Consultant is solely responsible, at Consultant's sole cost and expense, for (i) the fulfillment of all obligations to Personnel and (ii) the compliance by Consultant and Personnel with this Agreement and all laws, regulations, orders and other governmental requirements applicable to performance of the Services.

4. **Conduct of Consultant's Personnel.** Consultant will assure that all Personnel who are performing Services on behalf of Consultant are competent to perform the Services. Consultant will require all Personnel who are performing any work on Delphi's premises to comply with all of Delphi's regulations and policies. Delphi, in its sole discretion, has the right to: (a) bar any of Personnel from Delphi's premises for failure to observe Delphi's regulations or policies, (b) require that Consultant promptly remove from Delphi's premises any Personnel who violate any of Delphi's regulations or policies, and (c) require that Consultant cease using any Personnel to perform the services who are reasonably unacceptable to Delphi. Delphi will confer with Consultant to discuss Delphi's concerns prior to requiring removal of any Personnel. Consultant will replace any barred or removed Personnel with Personnel reasonably acceptable to Delphi.

5. **Non-Solicitation of Employees.**

A. Delphi agrees that during the term of this Agreement and for a period of one (1) year after the termination of this Agreement, it will not hire or attempt to hire any employees or former employees of Consultant if listed in the engagement letter attached hereto, who have been assigned to or have performed any of the Services contemplated herein.

B. Consultant agrees that during the term of this Agreement and for a period of one (1) year after the termination of this Agreement, it will not hire or attempt to hire any employees or former employees of Delphi's Tax staff who have participated in the furtherance of this Agreement.

C. Notwithstanding the provisions of Sections 5A and 5B, neither party shall be prohibited from employing any employee, former employee or personnel of the other who contacts such party (i) on his or her own initiative or (ii) in response to a general solicitation for employment contained in a newspaper or any other publication.

6. Professional Fees. Delphi will compensate Consultant for actual Services performed in accordance with the fee schedule set forth in this Agreement (the "Fee Schedule"). Consultant will invoice Delphi no more frequently than monthly. Consultant will submit, with each invoice for payment, a report specifying the actual Services performed and the calculation of the invoiced payment in accordance with the Fee Schedule. Invoices will be due and payable by Delphi within forty-five (45) days of Delphi's receipt of the invoice and corresponding report in the required form.

7. Expenses. Delphi will reimburse Consultant for all reasonable costs and expenses Consultant incurs in connection with the Services, including, without limitation, all travel expenses, provided, however, that Consultant must obtain prior approval of Delphi for any individual reimbursable expenses in excess of \$1,000 or for reimbursable expenses which exceed or are anticipated to exceed an aggregate of \$2,500 during any calendar month. Consultant will not charge any markup, overhead, profit or other fees on the reimbursable expenses. Delphi's reimbursement obligations will be governed by the provisions of Exhibit B.

8. Taxes. Unless otherwise agreed in the Engagement Letter, any applicable taxes imposed on Consultant in connection with the performance of the Services (except for taxes imposed on Consultant's income) will be invoiced to, and paid by, Delphi in addition to fees and expenses.

9. Indemnification.

A. Delphi shall indemnify, defend and hold harmless Consultant, including its directors, officers, employees, agents and representatives, from and against any and all claims, demands, actions, damages, liabilities, costs and expenses, including reasonable attorney fees and expenses, to the extent arising out of or resulting from third party claims against Consultant based on any of Consultant's written or verbal work product prepared pursuant to this Agreement and furnished by Consultant to Delphi for internal use (such as reports, analyses, projections, advice, recommendations and other data) (collectively, "Internal Work Product Claims"). In addition, Delphi shall indemnify, defend and hold harmless Consultant, including its directors, officers, employees, agents and representatives, from and against any and all claims, demands, actions, damages, liabilities, costs and expenses, including reasonable attorney fees and expenses (other than Internal Work Product Claims), to the extent arising out of or resulting from third party claims against Consultant based on any activities of Consultant in connection with the performance of Services under this Agreement (collectively, "Non-Work Product Claims"), provided, however, that Delphi will have no obligation to indemnify Consultant to the extent that any Non-Work Product Claims arise out of or result from the negligence, illegal acts or willful misconduct of Consultant and/or its directors, officers, employees, agents or representatives.

B. Consultant shall indemnify, defend and hold harmless Delphi, including its directors, officers, employees, agents and representatives, from any and all claims, demands, actions, damages, liabilities, costs and expenses, including reasonable attorney fees and expenses, to the extent arising out of or resulting from the negligence, illegal acts or willful misconduct of Consultant and/or its directors, officers, employees, agents or representatives in connection with the performance of Services under this Agreement, provided, however, that Consultant will have no obligation to indemnify Delphi to the extent that any such claims or damages arise out of or result from Internal Work Product Claims.

C. In each case, the indemnifying party shall also pay to the indemnified party any and all costs and expenses incurred in connection with the enforcement of these indemnification provisions.

D. The indemnification obligations set forth in this Section 9 and the general terms and conditions of this Agreement shall not apply to any tax or other governmental filings prepared by Consultant. The rights and obligations of the parties with respect to such services shall be governed by a separate agreement.

10. Limitation of Liability. Consultant's liability under this Agreement will be limited to twenty (20) times the professional fees paid; provided however that this limitation shall not apply (i) in the event of any breach of Section 16 below relating to Delphi Proprietary Information or (ii) if Consultant is found to be grossly negligent or to have acted willfully or fraudulently. In no event will Consultant or Delphi be liable for consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, or losses (including loss of profits, data, business or goodwill) regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranties, failure of essential purpose or otherwise, and even if advised of the likelihood of such damages.

11. Standard of Performance. Consultant will use its best skills, resources and judgment to perform the Services in an efficient and economical manner and in accordance with the highest professional standards. If any Services are not completed to Delphi's reasonable satisfaction, Consultant will, at no additional cost to Delphi, take reasonable steps to correct any deficiencies. The express warranties in this Paragraph and in this Agreement shall be in lieu of all other warranties, express or implied, including the implied warranty of merchantability and fitness for a particular purpose.

12. Reliance on Information/Authorities. Consultant will base its conclusions on the facts and assumptions that Delphi submits and will not independently verify this information. Inaccuracy or incompleteness of the information Delphi provides could have a material effect on Consultant's conclusions. In rendering its advice, Consultant may consider, for example, the applicable provisions of the Internal Revenue Code of 1986, and ERISA as amended, and the relevant state statutes, the regulations thereunder, and judicial and administrative interpretations thereof. These authorities are subject to change, retroactively and/or prospectively, and any such changes could affect the validity of Consultant's advice. Consultant will not update its advice for subsequent changes or modifications to the law and regulations, or to the judicial and administrative interpretations thereof, unless Delphi separately engages Consultant to do so after such changes or modifications.

13. Legal Counsel. Delphi should consult with and/or engage legal counsel for the purpose of advising on non-tax legal aspects of matters on which Consultant provides tax advice and drafting any legal documents and/or agreements that may be required in connection therewith. Consultant will provide Delphi's legal counsel with tax-related advice that is deemed necessary by Delphi's legal counsel to draft such documents and/or agreements. To the extent Services of legal counsel or other professional service providers are required, Delphi is responsible for engaging and paying such service providers.

14. Federal Confidential Communications Privilege. A confidentiality privilege under Internal Revenue Code Section 7525 may pertain to certain communications between Consultant personnel and Delphi regarding federal tax advice provided pursuant to this engagement. By retaining Consultant, Delphi agrees that Consultant is instructed to claim the privilege on Delphi's behalf, with respect to any applicable communications, up to and until such time as Delphi may waive any such privilege in writing. As disclosure of any such confidential communications to the Internal Revenue Service or other third party may cause any confidentiality privilege to be waived, Delphi should notify Consultant if the Internal

Revenue Service or other third party requests information about any tax advice or tax advice documents provided by Consultant.

Delphi understands that Consultant makes no representation, warranty, or promise, and offers no opinion with respect to the applicability of such confidentiality privilege to any communication. Delphi agrees to indemnify Consultant for any attorney's fees and other costs and expenses incurred by Consultant in defending the confidentiality privilege on Delphi's behalf. Consultant agrees to promptly notify Delphi of any claim for which Consultant seeks indemnification and Delphi shall have the right to conduct the defense or settlement of any such claim at Delphi's sole expense, and Consultant shall cooperate with Delphi. Consultant shall nonetheless have the right to participate in such defense at its own expense and to approve the settlement of any claim hereunder that imposes liability or obligation.

15. Disclosure and Restriction on Use. If this engagement relates to a strategy offered by Consultant to Delphi that is designed to reduce or defer federal income tax for a direct or indirect corporate participant, pursuant to Treasury Regulation section 301.6111-2(c), Delphi (and each employee, representative, or other agent of Delphi) is expressly authorized to disclose the structure and tax aspects of the strategy with any and all persons, without limitation of any kind.

Written advice provided by Consultant to Delphi is for the information and use of Delphi only and may not be relied upon by any third party without the express written permission of Consultant.

16. Non-Disclosure of Delphi Proprietary Information.

A. "Delphi Proprietary Information" means any information concerning the business and affairs of Delphi, which is not publicly available at the time disclosed to, or learned by, Consultant or any Personnel. Delphi Proprietary Information includes, without limitation, this Agreement and any written or verbal work product prepared pursuant to this Agreement (such as reports, analyses, projections, advice, recommendations and other data); trade secrets; product specifications; data; know-how; formulae; compositions; processes; designs; sketches; photographs; samples; inventions; concepts; ideas; past, current and planned research and development; past, current and planned manufacturing or distribution methods and processes; price lists; marketing and business plans, methods and processes; financial results and information; reports; computer software and programs (including object code and source code); databases; notes; analyses; compilations; studies; and other materials or intangibles. Delphi Proprietary Information also includes any materials or information that contain or are based on any other Delphi Proprietary Information, whether prepared by Delphi, Consultant, Personnel or any other person. Information will be conclusively deemed Delphi Proprietary Information if it is marked "Proprietary" or "Confidential" or with an equivalent legend at the time it is disclosed. Any information transmitted orally will be conclusively deemed Delphi Proprietary Information if Delphi notifies Consultant that it is proprietary within a reasonable time following oral disclosure. The failure, however, to mark information as "Proprietary" or "Confidential" or to notify Consultant that oral information is proprietary will not affect the information's proprietary nature. Delphi Proprietary Information does not include any trade secrets; data; know-how; formulae; compositions; processes; designs; sketches; inventions; concepts; ideas; methodologies, and techniques; models; templates; general purpose consulting and software tools previously created, acquired, owned or developed or independently developed by Consultant in the performance of the Services without reference to Delphi's Proprietary Information.

B. In connection with Consultant's performance of Services, Delphi may disclose Delphi Proprietary Information to Consultant and Personnel. All Delphi Proprietary Information disclosed, furnished or made available to Consultant and/or Personnel and all Delphi Proprietary Information generated or developed by Consultant and/or Personnel will be treated and maintained as confidential by

Consultant and Personnel, will not be disclosed to any third parties, either in whole or in part, except upon Delphi's prior written authorization, and will be used by Consultant and Personnel only for the purpose of performing the Services in accordance with this Agreement, in all cases using the same degree of care and discretion to avoid disclosure, publication or dissemination of such Delphi Proprietary Information that Consultant uses with respect to its own similar information that it does not wish to disclose, publish or disseminate (but in no event less than a reasonable degree of care and discretion). Before Consultant or Personnel discloses any information that could, under any circumstances, constitute Delphi Proprietary Information, Consultant will obtain Delphi's written consent. Neither Consultant nor Personnel will remove any Delphi Proprietary Information from Delphi's premises unless Delphi authorizes the removal in writing. Consultant will be responsible and liable to Delphi for the violation by any of Personnel of these confidentiality obligations.

C. The foregoing obligations under this Section 16B of this Exhibit A shall not apply to the extent that any Delphi Proprietary Information (i) is at the time of disclosure, or thereafter becomes, part of the public domain through a source other than Consultant and Personnel, (ii) is subsequently learned by Consultant or Personnel from a third party that has a legal right to make such disclosure and does not impose an obligation of confidentiality on the receiving party, (iii) was known to Consultant or Personnel at the time of disclosure by Delphi, (iv) was generated independently by Consultant or Personnel before disclosure by Delphi, or (v) is required to be disclosed by Consultant or Personnel by law, subpoena or other process.

17. Assignment and Subcontracting. Consultant will not assign or subcontract any portion of its responsibilities under this Agreement without Delphi's prior written approval.

18. Changes and Delays.

A. In the event that (i) Delphi requires a change in the scope of the Services, (ii) any change of applicable law or regulation affects the timing or performance of the Services or (iii) any action by Delphi or a third party (other than Personnel) affects the timing or performance of the Services, subject to the mutual agreement of Delphi and Consultant, the fees and/or schedule for performance for the Services will be equitably adjusted by the parties.

B. To the extent that the Engagement Letter provides that Consultant's performance under this Agreement is contingent upon specific action or cooperation of Delphi, including the supply to Consultant of specific resources, approvals, and information, any delays in Consultant's performance which occur as a result of the failure or untimely performance by Delphi shall be excused to the extent of any such delay or untimely performance by Delphi and Consultant shall not incur any liability to Delphi as a result of any such delay or untimely performance by Delphi.

19. Term and Termination. This Agreement will terminate when the Services have been completed. In addition, either party may terminate this Agreement in the event of the breach by the other party of this Agreement, which breach is not cured within thirty (30) days after notice by the non-breaching party. Delphi shall pay Consultant for Services performed prior to the effective date of termination as well as expenses incurred prior to the effective date of termination and approved by Delphi in accordance with Section 7 of this Exhibit A.

20. Conflict. In the event of any conflict, ambiguity or inconsistency between this Agreement and any other agreement relating to the Services, including any preprinted terms and conditions on Delphi's purchase orders, the terms and conditions of this Agreement shall govern.

21. Survival. The provisions of this Agreement, which give the parties rights beyond termination of this Agreement, will survive any termination of this Agreement.
22. Severability. If any portion of this Agreement is held to be void, invalid, or otherwise unenforceable, in whole or part, the remaining portions of this Agreement shall remain in effect.
23. Amendment. This Agreement shall not be modified except by a later written agreement signed by both parties.
24. Alternative Dispute Resolution.
- A. Any dispute or claim arising out of or relating to the Engagement Letter between the parties, the services provided thereunder, or any other services provided by or on behalf of Consultant or any of its subcontractors or agents to Delphi or at its request (including any dispute or claim involving any person or entity for whose benefit the services in question are or were provided) shall be resolved in accordance with the dispute resolution procedures set forth in Exhibit C attached hereto, which constitute the sole methodologies for the resolution of all such disputes. By operation of this provision, the parties agree to forego litigation over such disputes in any court of competent jurisdiction. Mediation, if selected, may take place at a location to be designated by the parties. Arbitration shall take place in Detroit, Michigan. Either party may seek to enforce any written agreement reached by the parties during mediation, or to confirm and enforce any final award entered in arbitration, in any court of competent jurisdiction.
- (b) Notwithstanding the agreement to such procedures, either party may seek injunctive relief to enforce its rights with respect to the use or protection of (i) its confidential or proprietary information or material or (ii) its names, trademarks, service marks or logos, solely in the courts of the State of Michigan or in the courts of the United States located in the State of Michigan. The parties consent to the personal jurisdiction thereof and to sole venue therein only for such purposes.

EXHIBIT B

Travel and Per Diem Reimbursement

A. If Personnel are required by Delphi to travel as an incidental requirement in performing services for Delphi, then such travel and per diem expenses, subject to prior written approval of Delphi, will be reimbursable as follows:

1. Air Travel Economy/Coach class only. Business class is permitted only upon prior written consent by Delphi.
2. Hotel Consultant will exercise good, sound business judgment and discretion in choosing hotels, such as moderately priced chain hotels or hotels that offer discounted corporate rates. Where extended travel is involved, reduced rates may be available and should be requested.
3. Rental cars Compact or intermediate class only. The cost of collision damage waiver and personal accident insurance is the responsibility of Consultant.
4. Mileage Allowance Reimbursement will be at the then current IRS rate (currently \$0.375 per mile) for the miles which are in excess of his or her normal commute from home to work and back. When permanently assigned to another location, even if the new location is temporary, Consultant will not be reimbursed for excess miles, additional driving time, etc.
5. Expense Reports If requested, Consultant will provide receipts for all reimbursable expenses, including meals and other expenditures, in excess of \$25.00 or more.
6. Meals Meals will not be reimbursed for non-overnight trips, except in the case of late return occasioned by travel outside normal working hours. Reimbursement for meals will be the actual and reasonable expenses paid by Consultant.
7. Extended Travel Consultant should review the home visit policy prior to a trip. Generally, the following provisions apply:

If the travel expense is less than the living expense in the temporary location, Consultant will be reimbursed for travel to the permanent location every week.

If the travel expense is more than the living expense in the temporary location, Consultant will be reimbursed for travel to the permanent location every two weeks.

Excess expenses due to frequent travel or stays will not be reimbursed by Delphi without its prior written approval.
8. Miscellaneous When Consultant chooses an alternative method of transportation, e.g., to drive instead of fly, reimbursement, including meals and lodging, will not exceed the lesser of the two costs. Documentation to support the lesser cost must be attached to expense report. Travel time must also be limited if on working hours.

The employee, his or her immediate supervisor, and an authorized Delphi

representative must sign the expense report form.

Consultant is responsible for travel reservations, hotel/motel accommodations and rental cars. If directed by Delphi, Consultant will make all travel arrangements through Total Travel Management, using a special account set up for such purposes.

Any cash advance by Consultant to its employee is the responsibility of Consultant.

9. Per Diem

In certain instances, a per diem will be paid to Consultant in accordance with Delphi's standard per diem policy.

B. All travel and per diem for which Consultant seeks reimbursement will be submitted to Delphi on standard vouchers, with substantiating documentation, and will accompany the monthly invoices.

Exhibit C

Dispute Resolution Procedures

The following procedures are the sole methodologies to be used to resolve any controversy or claim ("dispute"). If any of these provisions are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and binding on the parties to the fullest extent permitted by law.

Mediation

Any party may request mediation of a dispute by providing a written Request for Mediation to the other party or parties. The mediator, as well as the time and place of the mediation, shall be selected by agreement of the parties. Absent any other agreement to the contrary, the parties agree to proceed in mediation using the CPR Mediation Procedures (Effective April 1, 1998), with the exception of paragraph 2 which shall not apply to any mediation conducted pursuant to this agreement. As provided in the CPR Mediation Procedures, the mediation shall be conducted as specified by the mediator and as agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with facilitation by the mediator, to reach a consensual resolution of the dispute. The mediation shall be treated as a settlement discussion and shall be confidential. The mediator may not testify for any party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceeding. Each party shall bear its own costs in the mediation. Absent an agreement to the contrary, the fees and expenses of the mediator shall be shared equally by the parties.

Arbitration

Arbitration shall be used to settle the following disputes: (1) any dispute not resolved by mediation 90 days after the issuance by one of the parties of a written Request for Mediation (or, if the parties have agreed to enter or extend the mediation, for such longer period as the parties may agree) or (2) any dispute in which a party declares, more than 30 days after receipt of a written Request for Mediation, mediation to be inappropriate to resolve that dispute and initiates a Request for Arbitration. Once commenced, the arbitration will be conducted either (1) in accordance with the procedures in this document and the Rules for Non-Administered Arbitration of the CPR Institute for Dispute Resolution ("CPR Arbitration Rules") as in effect on the date of the engagement letter or contract between the parties, or (2) in accordance with other rules and procedures as the parties may designate by mutual agreement. In the event of a conflict, the provisions of this document and the CPR Arbitration Rules will control.

The arbitration will be conducted before a panel of three arbitrators, two of whom may be designated by the parties using either the CPR Panels of Distinguished Neutrals or the Arbitration Rosters maintained by any JAMS Office in the United States. If the parties are unable to agree on the composition of the arbitration panel, the parties shall follow the screened selection process provided in Section B, Rules 5, 6, 7, and 8 of the CPR Arbitration Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or any dispute concerning the applicability, interpretation, or enforceability of these procedures, including any contention that all or part of these procedures are invalid or unenforceable, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator shall be appointed unless he or she has agreed in writing to abide and be bound by these procedures.

The arbitration panel shall issue its final award in writing. The panel shall have no power to award non-monetary or equitable relief of any sort. Damages that are inconsistent with any applicable agreement between the parties, that are punitive in nature, or that are not measured by the prevailing party's actual damages, shall be unavailable in arbitration or any other forum. In no event, even if any other portion of these provisions is held to be invalid or unenforceable, shall the arbitration panel have power to make an award or impose a remedy that could not be made or imposed by a court deciding the matter in the same jurisdiction.

Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only as provided in the CPR Arbitration Rules. Before making any such disclosure, a party shall give written notice to all other parties and shall afford such parties a reasonable opportunity to protect their interests.

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The award reached as a result of the arbitration will be binding on the parties, and confirmation of the arbitration award may be sought in any court having jurisdiction.

EXHIBIT D

Fee Schedule

As agreed we will undertake the services listed in the attached letter for authorized Delphi employees for the 2004, 2005, and 2006 calendar years based on the following fee schedule per employee:

• Expatriates Assigned To the US	\$1,750
• Expatriates Assigned From the US	\$2,700
• Expatriates Assigned To and From Non-US Countries	\$2,100
• Employees Assigned To the Mexican Border	\$750
• Trainees/J Visa Holders	\$375

Fees for monthly payroll assistance, amended returns and tax clearance certificates will be dependent on the country in which the services are performed. See exhibit E for the fees for these services.

Fees for visa and immigration assistance will be dependent on the country in which the services are performed. See exhibit F for visa and immigration assistance fees.

We will bill you one-half of the agreed upon fee for income tax preparation on or before January 15th of each year and the remainder after April 15th of each year for completed returns. A final bill will be presented for all income tax returns prior to November 1st of each year. Invoices will be due and payable by Delphi thirty (30) days after receipt. All fees are exclusive of out of pocket expenses and mandatory value added tax.

All fees are based at 70% or less of our standard billing rates. Invoices for these services and other additional services described above will be made at the completion of each individual project on a monthly basis. Circumstances encountered during the performance of services that warrant additional time and/or expenses could affect the above estimates. We will notify you of any such circumstances as they arise.

Delphi will reimburse KPMG for all reasonable costs and expenses, including, without limitation, all travel expenses, KPMG incurs in connection with the Services, provided, however, that KPMG must obtain prior approval of Delphi for any individual reimbursable expenses in excess of \$2,500 or for reimbursable expenses which exceed or are anticipated to exceed an aggregate of \$10,000 during any calendar month. KPMG will not charge any markup, overhead, profit or other fees on the reimbursable expenses. Delphi's reimbursement obligations will be governed by the provisions of Exhibit B.

EXHIBIT E

KPMG Additional Services and Related Fees

<u>Country</u>	<u>Amended Returns</u>	<u>Tax Clearance</u>	<u>Tax Withholding</u>
Argentina	\$1,100	N/A	Start-up fee \$250 per employee \$500 per month (up to 5 employees) / \$800 per month (up to 10 employees)
Australia	\$440	N/A	Start-up fee \$900 Monthly fee \$450 / Annual fee \$1,500
Austria	\$825	N/A	\$55 per employee per installment (14 installments/yr) \$75 per employee per month (social taxes) \$60 per employee per month (handling of payments)
Belgium	N/A - no amended returns	N/A	\$665 per month
Botswana	\$135	\$265	\$55 per month
Brazil	\$500	\$1,650	Not offered - Would recommend third party provider
Canada	\$250	\$360	\$275 per month
China	\$90 per month per employee	\$450/Arrival \$300/Departure	Part of return fee
Czech Rep	\$775	\$165	\$165 per month per employee / \$225 per year per employee
France	\$1,225	\$775	Monthly payslips and quarterly social contributions \$150 per person per month Processing of yearly social returns \$1,950 Start-up fee including registration of company with social bodies \$2,900
Germany	\$280	N/A	\$195 per month for 4 employees \$25 per month for each additional employee
Hungary	\$900	\$880	\$275 per employee per quarter
India	\$825	\$880	\$110 per employee per month
Indonesia	\$385	\$115/Arrival \$115/Departure	\$225 per month \$1,100 per year
Italy	\$500	N/A	Start-up fee \$1,800 Annual fee \$2,600
Japan	\$700	\$400	\$375 per month (up to 5 employees) \$550 per month (up to 10 employees) / \$825 per month (up to 20 employees)
Korea	\$675	N/A	\$10 per month per employee
Luxembourg	\$450	N/A	\$1,350 per month for 11 expatriates
Malaysia	\$115	\$385	\$45 per employee per month (minimum of \$150 per month)
Mexico	\$500-\$700	N/A	\$200 per employee per month
Morocco	\$1,325	\$2,200	\$900 per month
Poland	\$825	\$225	\$30 per employee per month
Portugal	\$565	\$425	\$50 per employee per month
Romania	N/A	N/A	Included in tax return fee
Russia	\$1,595	N/A	\$1,325 month for up to 10 employees
Saudi Arabia	N/A	N/A	\$500 per month
Singapore	\$825	\$1,650	\$65 per employee per month (\$400 monthly minimum)
Spain	\$500	N/A	\$550 per employee per month
Sweden	\$325	N/A	Not offered - would recommend third party provider
Switzerland	\$850	N/A	\$390 per employee per month / \$750 start-up per employee
Taiwan	\$650	N/A	N/A
Thailand	\$325	N/A	\$165 per employee per month
Turkey	\$990	\$1,100	\$900 month for up to 10 employees
UK	\$550	Included In Return Fee	\$250 per employee per month Start-up cost = total monthly charge + \$400 / Annual forms \$250 per year
United States	\$800	N/A	N/A

All fees are exclusive of out of pocket expenses and required value added tax.

EXHIBIT F

KPMG Additional Services and Related Fees

<u>Country</u>	<u>Visa and Immigration Assistance</u>
Argentina	Visa for the assignee \$825 Visa for the assignee plus his/ her spouse \$1,240 Visa for the assignee plus his/ her immediate family \$1,650
Australia	Standard business sponsorship \$1,255 Nomination and visa application (per family) \$1,085
Austria	Restricted from offering services
Belgium	Preparation of application of work permit \$840
Botswana	Renewal of work permit \$700
Brazil	Permanent or temporary visa (per immediate family) \$560 Extension of temporary visa (per immediate family) \$560 Identification card \$80 Tax number card \$45
Canada	Restricted from offering services (Can recommend local legal firm)
China	Apply to the Shanghai Public Security Bureau (3 or less) \$1,650 per person Apply to the Shanghai Public Security Bureau (less than 10 more than 3) \$1,325 per person Apply to the Shanghai Public Security Bureau (10 or more) \$1,100 per person
Czech Rep	KPMG does not offer visa and immigration services (Can recommend a provider)
France	\$1,700 per employee No additional costs for a family application Services rendered by the Law Offices of Samuel Okoshken
Germany	Work permit \$715 Resident permit \$715
Hungary	Work permit \$185 Resident permit \$265
India	Visa \$770 Foreign registration \$440
Indonesia	Business visa including work permit \$550 Multiple business visa \$660 Single business visa \$440 Social visa \$440 Limited stay visa including work permit and stay permit \$2,200 Limited stay visa including stay permit for each dependent \$1,925
Italy	Non - European citizen secondment (request of work permit, entry visa, permit stay) \$1,685 Non - European citizen employment (request of work permit, entry visa, permit stay, employment card, employment letter, formalities with Labour Office, formalities with INAIL) \$2,400 European citizen secondment (request of work permit, entry visa, permit stay) \$720 European citizen employment (request of work permit, entry visa, permit stay, employment card, employment letter, formalities with Labour Office, formalities with INAIL) \$960
Japan	Per assignee \$2,875 / Per dependent \$1,265
Korea	Obtaining visa \$1,925
Luxembourg	Assisting with work permit and visa \$1,760
Malaysia	Application for employment pass \$1,540 per person Application for dependent pass \$275 per person
Mexico	Obtaining an FM3 document \$1,100 per visitor and \$825 per relative Obtaining each exit and entry permit \$275 per person
Morocco	Obtaining visa \$1,100

EXHIBIT F (cont'd)	
KPMG Additional Services and Related Fees	
Poland	Obtaining preliminary consent for employment and final work permit \$1,100 Obtaining temporary residence card \$1,650 Obtaining an extension of the working visa or temporary visa \$550
Portugal	Obtaining visa \$700
Romania	Obtaining temporary residence for taxpayer \$240 Obtaining temporary residence for each dependent \$100
Russia	Obtaining visa \$1,100 Obtaining work permit \$1,650
Saudi Arabia	Not offered
Singapore	The following services are offered by M&C Services Application for Visa \$300 Application of employment pass \$1,200 Application for renewal of employment pass \$490 Application for dependent's pass \$120 Application for training pass \$1,210 Cancellation of pass \$180
Spain	Work and resident permit \$2,525 per person
Sweden	Obtaining visa \$2,010
Switzerland	European work permit \$450 Non-European \$4,000
Taiwan	N/A
Thailand	Original work permit application \$1,045 Work permit renewal \$525 Extension of visa \$550 per person per year Extension of visa for the expatriate's family members \$165 per person per year Re-entry permit \$110 per person per application
Turkey	Not Offered
UK	Intra company transfer work permit \$920 New hire work permit \$1075 Work permit extensions \$690 Permanent resident applications \$535
United States	Restricted from offering services

All fees are exclusive of out of pocket expenses including required value added tax and amounts due to governmental units for the processing of documents.

Exhibit G

KPMG Privacy Notice

KPMG LLP and KPMG Investment Advisors (collectively, "KPMG"), like most providers of financial services, are now required by law to inform our individual clients of our policies regarding privacy of personal client information. At KPMG, we are committed to providing you with the highest level of professional services. As part of this effort, we have always protected the confidentiality and security of our clients' personal information and will continue to do so.

Confidentiality and Security

We restrict access to information about you to personnel who need to know that information in connection with providing services to you. We maintain physical, electronic, and procedural safeguards in compliance with applicable law to guard your information.

Information We Collect

KPMG collects information about you in connection with your engagement of us to provide you with services. Sources from which we collect information about you include interviews with you, tax return organizers, financial planning organizers, financial history questionnaires, financial statements, statements of portfolio holdings, other forms, and transactions and correspondence between you and us, our affiliates and others. If you are an investment advisory services client, KPMG Investment Advisors also collects information about your investment portfolio and your financial situation, requirements and objectives.

Disclosure of Personal Information

We do not disclose any personal information about our clients or former clients to third parties or affiliates, except as permitted by law. For example, if you are an investment advisory services client, KPMG LLP and KPMG Investment Advisors may share information about you with each other with your authorization. This allows us to provide you with the services you have requested from each of us with greater ease and convenience to you.

If you have any questions regarding this Notice or about our privacy policies and practices, please contact the KPMG partner responsible for your engagement.



309 East Wacker Drive
Chicago, IL 60601-5212

Telephone 312 665 1000
Fax 312 665 6000

November 3, 2004

PRIVATE

Ms. Sara J. Phillips
Manager, International Services Group
Delphi Corporation
World Headquarters & Customer Center
M/C 480.410.122
5825 Delphi Drive
Troy, MI 48098

Dear Sara:

KPMG LLP (KPMG) and Delphi Corporation (Delphi) have entered into an engagement letter dated October 5, 2004 under which KPMG will provide international executive services to Delphi and its expatriate employees. Attached to and made part of the October 5, 2004 engagement letter is Exhibit A, KPMG/Delphi Standard Engagement Terms & Conditions (rev. 9/15/2004). KPMG and Delphi agree that, for this engagement only, the first and second lines of paragraph ten (10) are deleted and the following inserted in its place:

"Limitation of Liability- Consultant's liability arising in connection with this engagement, if any, and for each year, will be limited to two (2) times the professional fees paid for each year;"

Please sign the enclosed copy of this letter to confirm our agreement and return it to us. If you have any questions, please call me at (312) 665-8485 or Doyoung Yong at (312) 665-5207.

Very truly yours,

KPMG LLP

Ann Marie Goddard
Partner
International Executive Services

Enclosure

cc: James P. Whitson, Delphi Corporation
Doyoung Yong, KPMG LLP



KPMG LLP (KPMG) is a U.S. limited liability partnership, a member of KPMG International, a Swiss entity.

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Ms. Sara J. Phillips

Delphi Corporation

November 3, 2004

ACCEPTED:

Delphi Corporation

Sara Phillips

Authorized Signature

Manager International Suez

Title

4 Nov 2004

Date



KPMG LLP, KPMG LLP, a U.S. limited liability partnership,
is a member of KPMG International, a Swiss association

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C. In each case, the indemnifying party shall also pay to the indemnified party any and all costs and expenses incurred in connection with the enforcement of these indemnification provisions.

D. The indemnification obligations set forth in this Section 9 and the general terms and conditions of this Agreement shall not apply to any tax or other governmental filings prepared by Consultant. The rights and obligations of the parties with respect to such services shall be governed by a separate agreement.

10. Limitation of Liability. Consultant's liability arising in connection with this engagement, if any, and for each year, will be limited to two (2) times the professional fees paid for each year; provided however that this limitation shall not apply (i) in the event of any breach of Section 16 below relating to Delphi Proprietary Information or (ii) if Consultant is found to be grossly negligent or to have acted willfully or fraudulently. In no event will Consultant or Delphi be liable for consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, or losses (including loss of profits, data, business or goodwill) regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranties, failure of essential purpose or otherwise, and even if advised of the likelihood of such damages.

11. Standard of Performance. Consultant will use its best skills, resources and judgment to perform the Services in an efficient and economical manner and in accordance with the highest professional standards. If any Services are not completed to Delphi's reasonable satisfaction, Consultant will, at no additional cost to Delphi, take reasonable steps to correct any deficiencies. The express warranties in this Paragraph and in this Agreement shall be in lieu of all other warranties, express or implied, including the implied warranty of merchantability and fitness for a particular purpose.

12. Reliance on Information/Authorities. Consultant will base its conclusions on the facts and assumptions that Delphi submits and will not independently verify this information. Inaccuracy or incompleteness of the information Delphi provides could have a material effect on Consultant's conclusions. In rendering its advice, Consultant may consider, for example, the applicable provisions of the Internal Revenue Code of 1986, and ERISA as amended, and the relevant state statutes, the regulations thereunder, and judicial and administrative interpretations thereof. These authorities are subject to change, retroactively and/or prospectively, and any such changes could affect the validity of Consultant's advice. Consultant will not update its advice for subsequent changes or modifications to the law and regulations, or to the judicial and administrative interpretations thereof, unless Delphi separately engages Consultant to do so after such changes or modifications.

13. Legal Counsel. Delphi should consult with and/or engage legal counsel for the purpose of advising on non-tax legal aspects of matters on which Consultant provides tax advice and drafting any legal documents and/or agreements that may be required in connection therewith. Consultant will provide Delphi's legal counsel with tax-related advice that is deemed necessary by Delphi's legal counsel to draft such documents and/or agreements. To the extent Services of legal counsel or other professional service providers are required, Delphi is responsible for engaging and paying such service providers.

14. Federal Confidential Communications Privilege. A confidentiality privilege under Internal Revenue Code Section 7525 may pertain to certain communications between Consultant personnel and Delphi regarding federal tax advice provided pursuant to this engagement. By retaining Consultant, Delphi agrees that Consultant is instructed to claim the privilege on Delphi's behalf, with respect to any applicable communications, up to and until such time as Delphi may waive any such privilege in writing. As disclosure of any such confidential communications to the Internal Revenue Service or other third party may cause any confidentiality privilege to be waived, Delphi should notify Consultant if the Internal